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# ACCELERATED MICROENTERPRISE ADVANCEMENT PROJECT (AMAP) FINANCIAL SERVICES IQC

**Contract Number GEG-I-00-00-02-00013-00**  
**Quarterly Performance Report Number 14**  
**January 1, 2006 – March 31, 2006**

## AMAP Technical Assistance in Support of the Haiti DCA Program Kicks Off

The AMAP Technical Assistance in Support of the Haiti Development Credit Authority team began work activities in Port-au-Prince this quarter. In January, Chemonics and consortium partner Enterprising Solutions embarked on initial assessment phase activities and fielded Team Leader Paul Watson to Port-au-Prince. During this initial visit, Mr. Watson finalized the project work plan; met with the senior management of Sogebank, Sogesol and SOFIHDES; and was able to begin diagnostic research.

In March, a Haiti DCA team composed of Mr. Watson, Ms. Pozzo and Ms. Conaway was successfully fielded to complete the assessment and action plan and to finalize the initial assessment report. The Haiti DCA team carried out an on-site diagnostic of the existing credit risk management systems of Sogebank, Sogesol and SOFIHDES. A review and assessment of the three institutions' credit management systems was conducted, resulting in a thorough understanding of their existing loan portfolios and lending operations. The

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team prepared a report, which included a diagnostic review of each of the three banks, identifying weaknesses and the best ways to address them. Based on this diagnostic, a technical assistance action plan was also outlined for each bank, and was submitted for review by the CTO. In addition, the Haiti DCA team successfully signed MOUs with Sogebank, Sogesol and SOFIHDES.

Upcoming technical activities include an evaluation of current credit and back office policies for SOFIHDES. Other plans include a thorough review of Sogesol's internal controls and operational procedures. Chemonics and SOFIHDES will also work jointly to recruit a credit management advisor and an internal auditor.

## Malawi DMS Enables OIBM's Expansion by Building Human Capacity

DMS continues its work on upgrading OIBM's performance ability and resources development. Last quarter DMS hosted two new trainings for and by OIBM staff. The trainings took place on February 1-3 and on 13-17, during which time 15 new Micro Banking Officers were trained by OIBM's senior staff. The training participants were trained in topics such as delinquency and portfolio management, as well as customer service and ratio analysis. The trainings were key in securing OIBM's branch expansion. Trained staff were assigned to the newly opened Kasungu

### CHEMONICS CONSORTIUM PARTNERS

**American Refugee Committee**  
*Refugee and post-conflict microfinance*

**Bankworld, Inc.**  
*Financial institution regulation and supervision*

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*Information technology, training, change management*

**Enterprising Solutions Global Consulting, L.L.C.**  
*Program assessment and design, enterprise development*

**The IRIS Center, The University of Maryland**  
*Enabling environment; regulation and supervision*

**Shorebank Advisory Services**  
*Small business loan product design and bank training*

branch and to vacant positions in the Lilongwe branches.

In addition, during the month of February, DMS supported OIBM activities, such as learning workshops for senior managers and improved e-banking service delivery.

## DMS Task Order Works to Build PRIDE's Institutional Capacity

During this quarter, DMS worked on strengthening PRIDE's managerial systems by delivering cutting-edge management solutions, including results-based management, information systems and procurement. At the request of PRIDE Malawi, DMS began working on the PRIDE headquarter's computer system upgrade. DMS embarked on the exercise by conducting an equipment assessment in order to ensure compatibility with existing equipment and fully meet PRIDE's needs for data security and a supportive management information system infrastructure.

Although PRIDE initially envisaged its request for computer system upgrades to be a simple matter of procurement, this exercise reminded the organization of the importance of IT planning and needs analysis. PRIDE learned two key lessons. First, when doing computer system upgrades, initial demands should be scrutinized to arrive at the real needs. PRIDE was forced to review its capacity and computer usage, exercise diligence in allocating new computers, and plan how best to use the new server to improve information flow, storage and security. Second, PRIDE learned to embrace the concept of continuous improvement, which requires constant internal critical analysis and openness to suggestions from external parties.

## PlanetRating and KG Team Up to Measure Social as well as Financial Performance of Bolivian MFI

During this quarter research topic director, Dr. Gary Woller worked with the microfinance rating agency, PlanetRating, to conduct a field test of the

Social Performance Measurement (SPM) tool developed under the *KG Measuring Outreach* research topic. After considering several MFIs in various Latin American countries, the team selected *La Asociación Nacional Ecuménica de Desarrollo* (ANED), a Bolivian MFI based in La Paz.

In March, Dr. Woller and the PlanetRating staff traveled to Bolivia to evaluate ANED and to examine the potential of incorporating the SPM tool into PlanetRating's standard rating and evaluation process. Under the current PlanetRating evaluation, GIRAFE, ratings reflect only financial and managerial performance and do not evaluate how an individual institution is performing against its social mission.

PlanetRating is currently working to integrate the results from the field test into their overall evaluation of ANED. Dr. Woller will use this information to complete his report on lessons learned and recommendations from this pilot test and incorporate this feedback into future refinements of the SPM tool.

Collaboration on the ANED evaluation represents the first step towards integrating evaluation of social performance into standard ratings currently used by MFIs and contributes to the sustainability of the tool beyond the period of performance of the KG task order.

## Impact of Microfinance on Women's Lives: Microfinance in the Movies

February's Microfinance After Hours Seminar series took microfinance to the movies, showing short films that focused on the social and economic impact of loans on the lives of female-headed microenterprises. One film featured Imelda Brutás, a female loan recipient of Chemonics' implemented USAID/Philippines MABS program. Tim Nourse of ARC introduced another that featured four female loan recipients of a microfinance program in Senegal and introduced some of the concepts of village banking. The films provided the basis for discussion on the positive and negative impacts of microfinance, the social mission of microfinance

and the differences between growth-oriented enterprises and subsistence-oriented enterprises, and the importance of designing appropriate microfinance products and microenterprise interventions that best serve client needs and realities.

## Microfinance After-Hours Seminar Series: Value Chain Finance

For the March session of the *Microfinance After-hours* seminar series, Catherine Johnston of DAI and Anita Campion organized an interactive value chain exercise. Based on findings from studies on sugar in Uganda and artichokes in Peru, participants in the seminar were given “roles” to play associated with either value chain. Each actor was either a potential lender or a potential borrower engaged in bringing one of these commodities from the farm to its final market and simulated the actions each had to take in order to fulfill his/her role in the completion of that value chain. Through the role play, participants became aware of the risks and difficulties in accessing or providing financing to agricultural-based businesses, the risks of lending to smaller producers and how the perspectives of financial institutions may differ from that of other participants in a value chain.

Other points discussed were the impact of financing decisions along the value chain and the opportunities presented by value chains. The role play also showed that access to financing may differ from commodity to commodity even within the same overall country context, or how financing may be available for a certain commodity within one country but not available for that same commodity when produced in another country.

The seminar materials are currently being adapted for future use as a training module, and should be available shortly on microLINKS.

## New Task Orders and RFPs

During the quarter, Chemonics’ AMAP Consortium began preparation of a response to a request for a task order proposal (RFTOP) to Support Haiti’s Microfinance, Small and Medium Enterprises (SMEs) Sector.

This three-year, \$6 to \$8 million dollar USAID/Haiti task order aims to 1.) build capacity for strong institutions and managers; 2.) improve the enabling environment by supporting necessary policy, legal, and regulatory changes; 3.) promote the development of new products and services that are accessible to all and meet the diverse needs of micro, SMEs and poor households; and 4.) promote economic growth that benefits the poorest households by supporting the access of micro, small, and medium enterprises to new market opportunities.

In line with Haiti’s status as a fragile state, the program focuses on creating economic opportunities for female-headed and very poor households, as well as other vulnerable populations, such as people living with HIV/AIDS and out-of-school youth.

The RFTOP was released on March 22, 2006 and date for proposal submissions is April 6, 2006, at 3:30 pm local time. Despite the short turnaround, Chemonics was enthusiastic about the opportunity to support the USAID/Haiti mission in its development of the microfinance and SMEs sector.

## Publications

The following publications were drafted by Tim Nourse based on fieldwork conducted during this quarter.

- *Liberia and Sierra Leone Notes from the Field*
- *Guidelines for Interviews*, examining the microfinance sector development in conflict affected countries
- *West Africa microNOTES*
- *Donor Coordination in Conflict-Affected Areas of Africa microNOTE*

## Activities and Accomplishments during the Reporting Period

**Table 1. Task Orders Submitted**

Title	USAID Mission	Estimated Task Order Amount	Date Submitted	Status of Task Order Award
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No task orders were completed during this quarter.

**Table 2. Task Orders Awarded**

Title	USAID Mission	Task Order Amount	Date Awarded	Expected Start Date	Expected End Date
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No task orders were awarded during this quarter.

**Table 3. Task Orders Completed**

Title	USAID Mission	Task Order Amount	Date Awarded	Start Date	End Date
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No task orders were completed during this quarter.

## AMAP/Microfinance IQC Financial Summary

Task Order	Year 1 2002- 2003	Year 2 2003- 2004	Year 3 2004- 2005	Year 4 Oct-Dec 2005	Year 4 Jan-Mar 2006	TOTAL
Task Order 804: Deepening the Microfinance Sector in Malawi	\$0	\$12,280	\$635,012	\$177,699	\$161,805	\$799,128
Task Order 803: Assessment of Village Savings and Loan Associations in Guinea	\$0	\$0	\$163,754	\$0	\$0	\$163,754
Task Order 801: Malawi Microfinance Sector Assessment	\$0	\$64,762	\$0	\$0	\$0	\$64,762
Task Order 800: Bolivia RFS Evaluation	\$45,565	\$0	(\$37)	\$0	\$0	\$45,528
Task Order 03: Technical Assistance in Support of the Haiti DCA Program	\$0	\$0	\$0	\$0	\$0	\$0
Task Order 01: Knowledge Generation	\$0	\$361,657	\$865,710	\$231,115	\$111,141	\$1,569,620
<b>Total</b>	<b>\$45,565</b>	<b>\$438,696</b>	<b>\$1,664,439</b>	<b>\$408,814</b>	<b>\$272,946</b>	<b>\$2,642,792</b>

This publication was produced for review by the United States Agency for International Development. It was prepared by Chemonics International Inc. in conjunction with AMAP consortium members American Refugee Committee, Bankworld, echange, Enterprising Solutions, IRIS and Shorebank Advisory Services.

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

For more information on the Accelerated Microenterprise Advancement Project Financial Services Component, please visit <http://www.microlinks.org> or contact Barry Lennon, Cognizant Technical Officer at [blennon@usaid.gov](mailto:blennon@usaid.gov) or at (202) 712-1598.